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RUCPDOG/USDOC WASHDC 1572  
RUEHGP/AMEMBASSY SINGAPORE 6527  
RUEAIIA/CIA WASHDC

UNCLAS JAKARTA 000819

SENSITIVE  
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DEPARTMENT FOR EAP/MTS, EAP/EP, EEB/IFD/OIA and EEB/IFD/ODF  
SINGAPORE FOR S. BAKER  
TREASURY FOR M.NUGENT AND T.RAND  
COMMERCE FOR 4430 NADJMI  
DEPARTMENT PASS FEDERAL RESERVE SAN FRANCISCO FOR CURRAN  
DEPARTMENT PASS EXIM AND OPIC

E.O. 12958: N/A  
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SUBJECT: PRESS REPORT OF ASIA PULP AND PAPER SETTLEMENT WITH  
GRAMERCY ADVISORS

REF: 2008 Jakarta 1760

[1](#)1. (U) On May 10, local English-language daily Jakarta Globe published an article (Bloomberg) reporting that PT Asia Pulp and Paper (APP) had agreed to a debt settlement with creditor Gramercy Advisors. The article reported that Asia Pulp and Paper said Gramercy had sold its debt to a "third party" and stopped all legal proceedings against the company, without providing financial details or identifying the party which bought the debt.

[1](#)2. (U) This reported settlement of debt defaulted on in the wake of the 1998 Asian financial crisis follows a deal reached by APP-unit PT Indah Kiat Pulp and Paper with creditor Oaktree Capital Management in 2008 (see reftel). Gandhi Sulistiyanto Soeherman, identified as vice chairman of APP's debt settlement panel, was quoted in the article as stating "We hope we can have a similar settlement with U.S. Exim."

[1](#)3. (U) Post stands ready to be of assistance to U.S. Ex-Im should it be interested in pursuing such a settlement.

HUME